

# Committee on Resources

---

## Testimony

---

### Subcommittee on Water and Power

Thursday, July 17, 1997

1324 Longworth HOB, 2:00 P.M.

**STATEMENT OF  
DR. ROBERT L. SAN MARTIN  
U. S. DEPARTMENT OF ENERGY  
BEFORE THE  
SUBCOMMITTEE ON WATER AND POWER RESOURCES  
COMMITTEE ON RESOURCES  
UNITED STATES HOUSE OF REPRESENTATIVES**

**JULY 17, 1997**

Mr. Chairman, I appreciate the opportunity to appear before your subcommittee to testify on the U. S. Department of Energy's (DOE's) activities related to the Government Performance and Results Act of 1993 (GPRA), particularly as it relates to the Power Marketing Administrations (PMAs).

I am accompanied today by Stephen J. Wright, Vice President for National Relations of the Bonneville Power Administration, Charles A. Borchardt, Administrator of the Southeastern Power Administration, Michael Deihl, Administrator of the Southwestern Power Administration, and J.M. Shafer, Administrator of the Western Area Power Administration. They are prepared to discuss the strategic planning activities and performance measures of their respective PMAs.

#### Strategic Planning

GPRA requires the Department of Energy to submit a strategic plan to Congress by September 30, 1997, that contains six specific elements:

- a comprehensive mission statement,
- general goals and objectives,
- a description of how the goals and objectives are to be achieved,
- a description of how the performance goals included in the Department's annual performance plan will relate to the strategic plan's general goals and objectives,
- key factors external to the Department and beyond its control that could affect achievement of the general goals and objectives, and
- a description of the program evaluations used and a schedule for future evaluations.

GPRA requires consultation with Congress and stakeholder input into the development of the final DOE strategic plan. As agencies within DOE, the PMAs are participating in the Department's strategic planning process.

To initiate DOE's GPRA planning effort, Secretary Peña issued guidance to the Department in April, 1997. His guidance specified that the Department's programs would be grouped into four business lines: Energy

Resources, National Security, Environmental Quality, and Science and Technology. Each business line was assigned a senior Departmental official to act as its "champion", and four Departmental teams were formed to develop a strategy for each business line. A fifth team was established to address corporate management issues.

During May, the planning teams met to develop input to the draft plan. After a preliminary briefing of Congressional staff held in late May, the Department prepared a working draft of the strategic plan and circulated it for widespread review and comment on June 16, 1997. Over a full month is being allowed for this review and comment period so the Department can benefit from the perspectives of the widest number of stakeholders, as well as the general public. Comments are being actively solicited from DOE employees and contractors, the Office of Management and Budget (OMB), other Federal agencies, and Congressional committees with oversight of DOE. After comments are reviewed and analyzed, the Department will prepare a revision to the strategic plan and provide a third round of briefings to the Congress during early August. The final plan will go to OMB by August 15, and be distributed to Congress and the public by September 30. Attached is the projected DOE Strategic Planning Schedule, which lays out the process in more detail.

The PMAs are playing an active role in the development of the Department's strategic plan. The PMAs fall within the Energy Resources business line, and PMA representatives have been invited to and attended meetings of the Energy Resources planning team. The PMAs actively participated in the development of the draft strategic goal and objectives of this business line.

DOE is proposing that the strategic goal for Energy Resources be, "The Department of Energy and its partners will develop and promote sustainable, secure, and competitive energy systems that minimize impacts on the United States and the global environment." This goal fits well with the PMAs' mission and role in marketing hydropower from the multipurpose federal hydropower projects. More specifically, one objective for the Energy Resources business line -- Increase the security, flexibility, and reliability of the U.S. energy system -- would be supported by a strategy to "promote the safety and reliability of U.S. energy utility systems." One success measure of this strategy would be achievement of Honor Roll status on the area control error performance standard of the North American Electric Reliability Council each year by the federal transmission systems, which are operated by the PMAs. Hence, the PMAs fit within the broader scope of the Department's mission, goals, and objectives.

#### Annual Performance Plans

GPRA also requires DOE to prepare an annual performance plan covering each program in the budget. The performance plan is to establish performance goals, expressed in measurable form, describe the processes, skills, technology, and resources to meet the performance goals, establish performance indicators, compare actual results against the goals, and describe the means used to verify measured values. This requirement begins with the fiscal year (FY) 1999 budget.

At DOE, strategic planning and performance-based budgeting have been underway since the beginning of the Clinton Administration. By stressing these disciplines over the past four years, the Department provided the Congress a budget that begins to implement this GPRA provision a year in advance of the legislated requirement. Specifically, DOE prepared a Budget Highlights and Performance Plan to accompany its FY 1998 Congressional Budget Request. The Department's FY 1998 Budget was developed as part of a Strategic Management Process linking objectives from ongoing strategic planning to performance-based planning and budget proposals. Decisions on how to invest taxpayer money were based on which programs best delivered results and accomplished strategic objectives.

Each PMA is addressed in the Budget Highlights and Performance Plan with specific performance goals and from one to six success measures that will determine whether these goals are achieved.

#### Conclusion

The Department of Energy has made a long-term and serious commitment to achieving full implementation of GPRA. Significant resources are being devoted to these implementation efforts. The PMAs -- through their participation in the Department's efforts -- are an integral part of DOE's planning activities.

Mr. Chairman, this concludes my remarks. I will be pleased to respond to any questions you or the Subcommittee members may have.

###